



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
<http://cao.co.la.ca.us>

DAVID E. JANSSEN
Chief Administrative Officer

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

December 13, 2005

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**APPROVE FIFTH AMENDMENT TO THE
WALT DISNEY CONCERT HALL MASTER LEASE
(FIRST DISTRICT) (3-VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the Fifth Amendment to the Walt Disney Concert Hall Master Lease (Master Lease) is categorically exempt under the California Environmental Quality Act, and approve the amendment which extends certain terms of the lease (Attachment A).

PURPOSE/JUSTIFICATION

Approval of the recommended action will enable the continuation of roles and responsibilities of the various entities involved in the construction, maintenance and operation of the Walt Disney Concert Hall cultural complex.

In 1992, your Board approved several documents relating to the construction and operation of the Walt Disney Concert Hall (Concert Hall) among the County, Disney I, Disney II, Music Center Operating Company (MCOC) and the Los Angeles Philharmonic Association (LAPA). In 1999, your Board approved amendments to those documents to create the new CalArts Sublease and reflect the revised project scope and schedules. Among the amendments to the Master Lease between Walt Disney

The Honorable Board of Supervisors
December 13, 2005
Page 2

Concert Hall I, Inc. and the County, the Project Completion Date was revised to December 31, 2005.

Although the Concert Hall is currently operational, there are outstanding construction issues and related litigation which are currently being resolved, but it is unlikely they will be resolved by December 31, 2005. It is recommended that your Board approve the attached Fifth Amendment to the Master Lease which extends the Project Completion Date to December 31, 2006, to facilitate the continuation of roles and responsibilities of the various entities involved in the maintenance and operation of the Concert Hall cultural complex.

FISCAL IMPACT/FINANCING

Approval of the recommended action will have no impact on the operating memorandum between the County and the Music Center Operating Company.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Under the terms of the Master Lease, the County acquires ownership of the Concert Hall upon Project Completion, as that term is defined in the Master Lease. Outstanding construction issues and related litigation currently preclude the achievement of Project Completion by the current December 31, 2005, deadline.

The recommended lease amendment will continue the current arrangements for maintaining and operating the Concert Hall complex, pending resolution of the litigation. The parties to the litigation have reached general conceptual agreement as to the settlement terms, but the negotiation of a detailed settlement agreement will likely extend into 2006.

The attached Fifth Amendment to the Master Lease has been approved by County Counsel.

IMPACT ON CURRENT SERVICES

There is no impact on current services associated with the recommended action.

The Honorable Board of Supervisors
December 13, 2005
Page 3

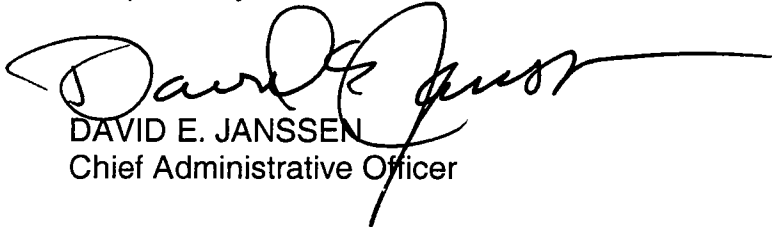
NEGATIVE DECLARATION/ENVIRONMENTAL IMPACT REPORT

The recommended action is categorically exempt under the California Environmental Quality Act under State Guidelines section 15323 in that it continues the normal operations of an existing facility for public gatherings for which the facility was designed.

CONCLUSION

Please return eight (8) approved copies of this letter to my office in addition to eight (8) executed originals of the attached documents.

Respectively submitted,

A handwritten signature in black ink, appearing to read "David E. Janssen", with a long horizontal flourish extending to the right.

DAVID E. JANSSEN
Chief Administrative Officer

DEJ:JSE
DJT:DKM:mdc

c: Karen Lichtenberg, County Counsel

FIFTH AMENDMENT TO
WALT DISNEY CONCERT HALL MASTER LEASE

THIS FIFTH AMENDMENT TO WALT DISNEY CONCERT HALL MASTER LEASE (this "Amendment"), dated as of December __, 2005, is made and entered into by and between the COUNTY OF LOS ANGELES, a public body corporate and politic of the State of California ("Landlord"), and WALT DISNEY CONCERT HALL INC., a non-profit California corporation and successor in interest to WALT DISNEY CONCERT HALL I, INC. ("Tenant"), with reference to the following recitals:

RECITALS

A. Landlord and Tenant have entered into that certain Walt Disney Concert Hall Master Lease dated as of December 23, 1992, as amended by that certain First Amendment to Walt Disney Concert Hall Master Lease dated as of June 6, 1995, that certain Second Amendment to Walt Disney Concert Hall Master Lease dated as of June 2, 1998, that certain Third Amendment to Walt Disney Concert Hall Master Lease dated as of December 1, 1998, and that Fourth Amendment to Walt Disney Concert Hall Master Lease dated as of September 14, 1999 (as so amended, the "Master Lease"), pursuant to which, among other things, Landlord has leased the Concert Hall Parcel to Tenant and Tenant is to provide for the construction of the Improvements thereon. All initially-capitalized terms used but not defined in this Amendment shall have the meanings given such terms in the Master Lease.

B. Landlord and Tenant desire to amend the Master Lease to extend the Completion Date by extending the date by which the Landlord shall issue a Certificate of Completion to Tenant, as more particularly provided in this Amendment.

NOW, THEREFORE, in consideration of the foregoing Recitals and the covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. AMENDMENTS TO MASTER LEASE

1.1 Extensions of Time.

1.1.1 Sections 6.3.5 and 21.2.1(b) of the Master Lease are hereby amended by deleting the date "December 31, 2005" and replacing it with the date "December 31, 2006".

2. MISCELLANEOUS

2.1 Master Lease in Effect. The Master Lease has not been modified, amended or supplemented except as set forth in this Amendment, and, as amended by this Amendment, the Master Lease is and remains in full force and effect.

2.2 Counterparts. This Amendment may be executed in several counterparts, each of which shall be deemed an original, and such counterparts shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first above written.

Tenant: WALT DISNEY CONCERT HALL INC.

By: _____

Its: _____

By: _____

Its: _____

Landlord: THE COUNTY OF LOS ANGELES

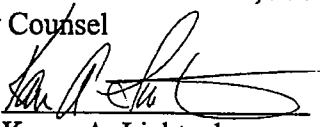
By: _____
Michael D. Antonovich
Mayor, Board of Supervisors

ATTEST:

VIOLET VARONA-LUKENS
Executive Officer-Clerk of the
Board of Supervisors

By: _____
Deputy

APPROVED AS TO FORM:
RAYMOND G. FORTNER, JR.
County Counsel

By: 
Karen A. Lichtenberg
Assistant County Counsel